GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4970
ANSWERED ON:16.12.2016
Impact on Industry Post Demonetisation
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Will the Minister of FINANCE be pleased to state:

(a) the contribution of the Industrial Sector in the country''s GDP during the last three years and the current year;

(b) whether the demonetisation has adversely impacted the industry, exports/imports sectors thereby affecting the country''s GDP growth rate, if so, the details thereof;

(c) whether complaints have been received from said stakeholders regarding liquidity crunch; and

(d) if so, the details thereof and steps taken to mitigate the concerns of industry?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) The contribution of the industrial sector in the country's Gross Value Added (GVA) at current basic prices was 30.8 per cent in 2013-14, 30.0 per cent in 2014-15 and 29.7 per cent in 2015-16. As per the latest figure released by CSO, the contribution of industrial sector is 29.4 per cent during April-September, 2016-17.

(b) There is no reliable macroeconomic information on the impact of demonetisation on the industry, exports/imports sectors thereby affecting the country's GDP growth rate.

(c) & (d) The Government has received feedbacks from industry and trade associations. The industry and trade groups have extended their support towards the demonetisation move but have raised their concerns about small traders and mandi traders. In order to mitigate their problem of liquidity crunch, the central government has taken several measures. Traders with current/overdrafts/cash credit accounts, which are operational for the last three months or more, may now withdraw upto Rs. 50,000/- in cash, in a week. Traders registered with APMC markets/mandis are permitted to draw upto Rs. 50,000/- per week in cash from their KYC compliant accounts as in the case of business entities. This will enable these traders to pay wages and facilitate easy loading, unloading and other activities at the mandis.
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